

SEP 08 2011

FCC Mail Room

Before the Federal Communications Commission

In re the Matter of:

Request for Review of Decision of the
Universal Service Administrator by the State
of Washington, Department of Information
Services

OC Docket No. 02-6

REQUEST FOR REVIEW

The State of Washington, Department of Information Services ("DIS") respectfully appeals a Funding Commitment Decision by the Schools and Libraries Division ("SLD") which denied \$236,054.24. funding for basic telecommunications services provided by DIS to school districts, libraries and educational service districts in the state of Washington.

DIS respectfully requests that the SLD reverse this finding.

1. DIS BACKGROUND

DIS, a state agency, provides telecommunications and technology services to other state and local government agencies in Washington state. DIS provides local and long distance telephone services to school districts and libraries statewide and files funding applications on their behalf. Each year, DIS files a consortium application for Universal Service Support ("E-rate") funding for these services. Historically DIS has received yearly funding at a consistent level.¹

¹ For the purposes of the E-rate process, DIS is a consortium applicant comprised of eligible schools and libraries statewide. Thus DIS is in fact a pass-through entity for E-rate purposes and applies for funding only because individual schools and libraries that receive its services cannot themselves apply for services received from DIS, which is not a common carrier. None of the E-rate funding that DIS receives covers the costs of processing and administering participation in the E-rate program.

2. FUNDING REQUEST HISTORY

Here is a brief outline of the matter we are appealing (Please see Exhibits A1 and A2 which are timelines explaining these events in detail):

- DIS timely filed two forms 471 funding applications for Funding Year 2010:

1. 723606 (on behalf of DSHS, a state agency)

2. 720443

- Both funding applications had three contracts in common (Exhibit C)
- Between August and November 2010, DIS and PIA/SL communicated regularly by email and phone in connection with both applications.
- DIS provided all documentation requested by PIA/SL relevant to 720443, however apparently PIA/SL did not process these responses, did not make changes where documentation was provided or ask for additional information or clarification. (Exhibits A and B)
- Although DIS answered all questions in connection with these common contracts (Exhibit C) and provided identical relevant documentation, PIA/SL fully funded DSHS and partially funded DIS.
- Thus DIS was denied \$236,054.24 in funding and owing to a change in staffing could not timely appeal.

3. CONSEQUENCES

As a result of \$236,054.24 in funding denials, DIS will receive no funding for four contracts: T89-OTH-034-L, T08-TED-923, T08-TED-081 and T07-TED-786. However DIS will receive funding for three of the same contracts under a different application that DIS submitted virtually simultaneously on behalf of another agency (DSHS).

Any actual errors and /or omissions associated with application 720443 will severely decrease funding on which Washington State Schools and Libraries rely. In these exceptionally challenging financial times, such funding decreases amplify the already substantial economic pain suffered by Schools and Libraries.

Denying this appeal will significantly injure each of the schools and library consortium members whose only opportunity for E-rate funding on these services depends on this application.


SUMMARY

DIS respectfully requests that the SLD consider our appeal and restore full funding to these detached and innocent parties.

Further discussion and future communications regarding this appeal may be directed to:

Harold Goldes, Contracts Attorney
Washington State Department of Information Services
PO Box 42445
Olympia, WA 98504-2445
Phone: (360) 407-8768
Email: haroldg@dis.wa.gov

Dated this 1st day of September, 2011


Michael Mariel
Assistant Director
Department of Information Services

Attachments

Exhibit A: Timeline DIS 720443 Application

Date	720443 APPLICATION (FUNDING REQUEST DENIED)
8/20/10	PIA/SL notifies DIS that additional information is needed
9/3/10	PIA/SL [S. Adamczyk] reminds DIS that additional information is needed: due 9/4/10 DIS requests extension
9/7/10	PIA/SL grants extension to 9/15/10
9/20/10	PIA/SL [D. Vnencak] requests additional information: due 10/5/10
9/27/10	PIA/SL reminds DIS that additional information is needed
10/6/10	DIS requests extension per conversation. PIA/SL grants seven day extension to 10/12/10
10/12/10	DIS requests extension citing short staffing. PIA/SL grants 24 hour extension to 10/13/10
10/13/10	DIS emails requested additional information. Answers are provided by DIS response (in blue) below each question. Email attachments rejected because of attachment size (93 MB). DIS alerts PIA. DIS splits message into two separate emails and resends. (see Exhibit nn). Emails include (i) answers to question and (ii) seven attachments: <div style="text-align: center;">DIS Email 1</div> <ol style="list-style-type: none"> 1. FY2010 PIA Attachment F - Copy Contract To9-PC1-129.pdf 2. FY2010 PIA Attachment G - Copy Contract To8-TSD-081.pdf. 3. FY2010 PIA Attachment H - Copy Contract To7-TSD-786.pdf 4. FY2010 PIA Attachment I.docx <div style="text-align: center;">DIS Email 2</div> <ol style="list-style-type: none"> 5. FY2010 PIA Attachment C - Copy Invoice WA-BVMS-1000 Dated 1-20-10.pdf 6. FY2010 PIA Attachment D - Copy Contract To8-TSD-923.pdf 7. FY2010 PIA Attachment E - Copy Contract TB9-OTH-034L.pdf
10/19/10	PIA/SL alerts DIS to incorrect transfer of shared discount calculations by PIA/SL system. (see Exhibit nn)
10/20/10	DIS emails PIA/SL confirming receipt of 10/13/10 emails
11/9/10	Funding Commitment Decision Letter Approves \$170, 436.10. Denies funding request for: \$236,054.24

Exhibit A2: Timeline DHS 723606 Application

Date	723606 APPLICATION (FUNDING REQUEST APPROVED)
8/2/10	PIA/SL notifies DIS that additional information is needed. DIS responds stating DIS will work on response. PIA/SL requests LOA for T. Jones replacing M. Meberg.
8/11/10	PIA/SL reminds DIS that additional information is needed
8/17/10	DIS requests extension
8/18/10	PIA/SL grants seven day extension to 8/24/10
8/25/10	DIS provides requested additional information by email. Follows up with voice message. Attachments provided: <ol style="list-style-type: none"> 1. FY2010 PIA Attachment A - Copy Invoice WA-BVMS-1000 Dated 6-25-10.docx. 2. FY2010 PIA Attachment B - Copy Contract T89-OTH-034-L.DOCX SLD/PIA replies: on vacation returning 8/30/10
9/2/10	PIA/SL requests additional information: Invoice \$38.60 (WA-BVMS-1000)
9/16/10	DIS provides Invoice \$38.60 (WA-BVMS-1000).
9/20/10	PIA/SL requests information regarding items 2 & 3: DIS replies noting that DIS had previously provided answers to 2 & 3 on 8/25/10
9/21/10	PIA/SL requests detailed information regarding items 2 (three FRNs) & 3 (five FRNs)
9/28/10	PIA/SL requests additional information regarding 2048603 and 2048629. Due 10/13/2010
10/12/10	PIA/SL grants seven day extension to 10/20/10
10/18/10	DIS provides the requested additional information by the following email attachments: <ol style="list-style-type: none"> 1. FY2010 PIA Attachment G - Copy Contract T08-TSD-081.pdf. 2. FY2010 PIA Attachment H - Copy Contract T07-TSD-786.pdf 3. FY2010 PIA Attachment J - Copy Contract T08-TSD-936.pdf
11/9/10	Funding Commitment Decision Letter Approves \$201,162.5

Exhibit B: Appeal SLD decision in Form 47: Funding Commitment Decision Letter: November 9 2010

CONTRACT(S)	APPLICATION 720443 FUNDING COMMITMENT DECISION SUMMARY	DIS 10/18/2010 RESPONSE	Approved
T89-OTH-034-I (QWEST)	<p>FRN 1950805 Decision: \$0.00 - Insufficient documentation</p> <p>Explanation: DR1: Applicant has not provided sufficient documentation to determine the eligibility of this item. No documentation was provided for item(s): establishing ACD.</p> <p>MR1: The Contract End Date was changed from 6/4/15 to 2/10/15 to agree with the applicant documentation.</p> <p>PREDISCOUNT AMT: \$336,889.32</p>	<p>DIS provided requested contract T89-OTH-034-I (attachment E).</p> <p>RFQ Section 1.4 (Top-RFQ-016) established DIS ability to extend contract beyond initial term (see exhibit nn)</p> <p>Referenced the Posted Form 470 # 343280000803648 for FY2010</p>	\$0.0
To8-TSD-923 (CL United)	<p>FRN 2043463 Decision: \$0.00 - Insufficient documentation.</p> <p>Explanation: MR1: FRN modified in accordance with a RAL request. MR2: The FRN was modified from \$240.87 to \$1444.86 to agree with the applicant documentation. DR1: Applicant has not provided sufficient documentation to determine the eligibility of this item. No documentation was provided for item(s): Item 21</p> <p>PREDISCOUNT AMT: \$26,890.44</p>	<p>DIS provided requested contract To8-TSD-923 (attachment D) RESPONDING TO ITEMS 2 AND 4</p> <p>Referenced the Posted Form 470 # 117430000630993 for FY2008</p>	\$0.00
To7-TSD-786 (QWEST)	<p>FRN 2043512 Decision: \$0.00 - Insufficient documentation</p> <p>Explanation: DR1: Applicant has not provided sufficient documentation to determine the eligibility of this item. No documentation was provided for item(s): vendor contract</p> <p>PREDISCOUNT AMT: \$2,624.80</p>	<p>DIS provided requested contract To7-TSD-786 (attachment F)</p>	\$0.00
To8-TSD-081 (QWEST)	<p>FRN 2043410 Decision: \$0.00 - Insufficient documentation</p> <p>Explanation: DR1: Applicant has not provided sufficient documentation to determine the eligibility of this item. No documentation was provided for item(s): Vendor documentation</p> <p>PREDISCOUNT AMT: \$2,130.00</p>	<p>DIS provided requested contract To7-TSD-786 (attachment G)</p>	\$0.00

Exhibit C: Common Contracts for DIS 720443 and DSHS 723506 applications

CONTRACT	APPLICATION 720443 (FUNDING DENIED)	APPLICATION 723506 (APPROVED)
T89-OTH-034-I	FRN 1960805	FRN 2045498 FRN 2045514
T08-TSD-023	FRN 2043463	
T07-TSD-786	FRN 2043512	FRN 2045685
T08-TSD-081	FRN 2043410	FRN 2045601

Exhibit D- Small attachments rejected because of attachment size (33 MB)

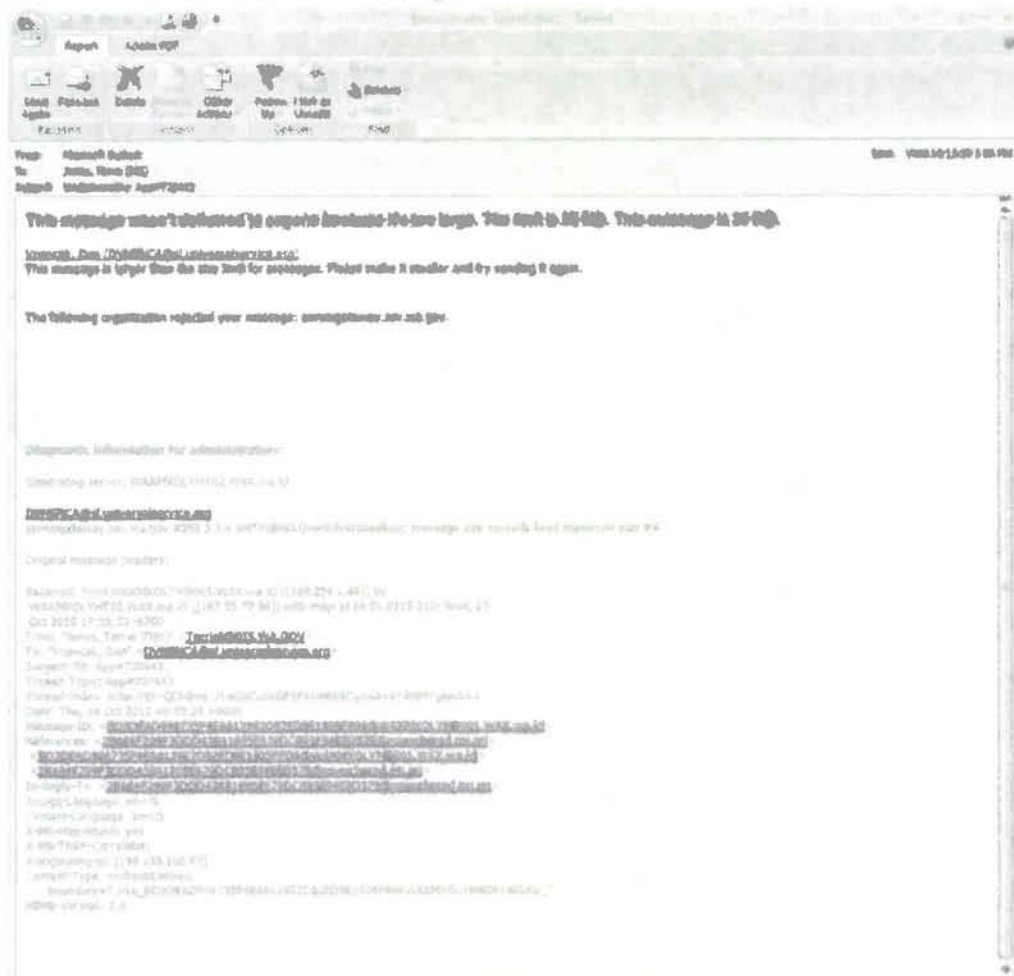
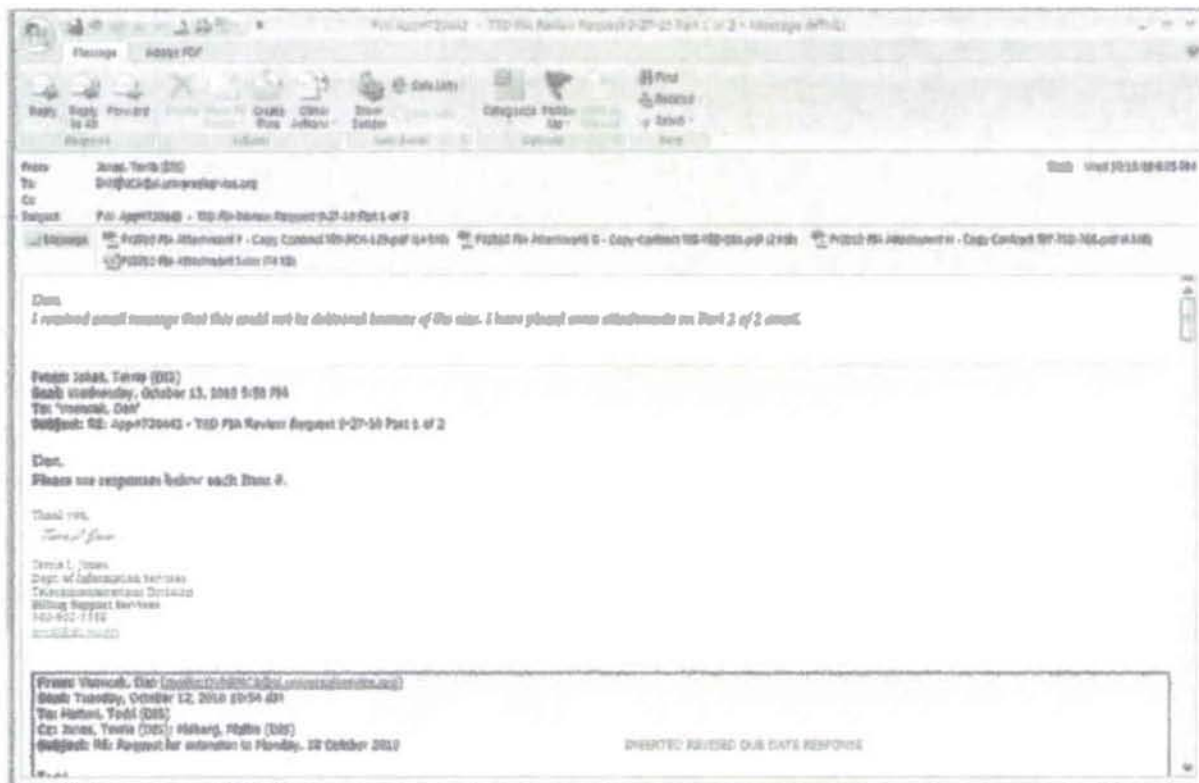


Exhibit E: DIS splits message into two separate emails and resends



1.3.2. 04.701 - Switched Access

SCAN - Switched Access is a new DIS offering which utilizes the vendor's network to carry the switched long distance traffic from DIS identified customer locations. Access to the Vendor's network will be obtained via the customers' local C.O. trunking (e.g. via PIC Code or equivalent). The long distance traffic is composed of interstate, intrastate and international calls.

The service will be administered by DIS. Customer will be billed by DIS using call records provided by the vendor. DIS's 7-digit authorization numbers will be used by the vendor to provide call accountability. Each 7-digit authorization number will support individual Class of Service (COS) restriction options.

1.3.3. TOLL

Business toll switched access long distance telephone services are available, for use by state and local government on a backup to SCAN. DIS utilizes the Protected Interexchange Carrier (PIC) feature to provide toll access to the public switched network from DIS' 120 owned or managed PBXs and Customers.

Monthly average usage for Toll is 8,000 calls for 20,000 minutes.

1.4. TOLL TERM

The initial term shall be two (2) years commencing upon the date of execution by DIS. After the initial two-year period, DIS may extend the Contract for up to six (6) additional years in one (1) or two (2) year periods. The decision to extend will be based on the Vendor's service performance and future pricing and will be at DIS' sole discretion.

Extensions shall be executed by the DIS Contract Administrator giving written notice to the Vendor not less than 60 days prior to the expiration date of the term of the Contract, subject to any revised terms and conditions which may then be in effect.